

1 March 2017

Press release

Conference of Mr. Mario Monti, Former Italian Prime Minister (2011-2013) and Former Member of the European Commission (1995-2004)

“Future financing of the EU: time for change?”

At the invitation of the Bridge Forum Dialogue and the European Investment Bank, Mr. Mario Monti, former Italian Prime Minister (2011-2013) and Former Member of the European Commission (1995-2004), gave a speech on 28 February 2017.

In the Atrium of the European Investment Bank, a large audience of more than 400 participants, including members of the Bridge Forum Dialogue Association, representatives from the European Institutions and bodies, members of the Luxembourg Government, members of the corps diplomatique, numerous public authorities and actors of the economic and social life in Luxembourg, gathered to attend the Bridge Forum Dialogue conference.

Following an introduction by Mr. Werner Hoyer, President of the EIB, Vice President of the Bridge Forum Dialogue, Mr. Monti presented some of the main challenges currently facing the EU, particularly in the area of economic policy. Mr. Monti expressed the view that, in order to achieve its full potential, the EU needs to build bridges to reconcile: market integration with social inclusion; fiscal rules with growth as well as the tension between net contributors and net beneficiaries of the EU budget.

Mr. Monti defined the EU budget as a key element for what the EU, the most advanced form of political globalization in history, can do. Too often unfortunately, as the speaker explained, the EU budget, and in turn the EU, is presented as a zero-sum game instead of a win-win arrangement. According to Mr. Monti, the discussion should be refocused on the concept of “European added value”, that is the collective benefit of EU (its “core business”), rather than on national transfers or ‘cost’ items.

One of the key messages conveyed by the speaker concerned the need for the EU budget to change along with new political priorities. From this perspective, Mr. Monti strongly argued in favor of a reform of the revenue side. He illustrated some of the findings of the recently published report by the EU High Level Group on Own Resources, he chaired. While most of the issues at first appear to concern the expenditure side of the EU budget, the report indicates that the long neglecting of how the EU is financed also explains why it is so difficult today to address the challenges the EU citizens are faced with.

The report indicates that having neglected the revenue side of the EU budget for so long makes it all the more difficult now to change this and to address the present challenges of the EU.

According to Mr. Monti, new own resources, without necessarily an increase of the EU budget, would help enforce some EU policies and support EU policy objectives, in particular economic, social and environmental sustainability. Possible new own resources might be related, for example, to the Single Market and fiscal coordination (e.g. a reformed VAT-own resource, an EU corporate income tax, a financial transaction tax and other financial activities' tax). In addition, own resources might be related to the Energy Union, environment, climate or transport policies, such as for instance a CO2 levy, proceeds from the European emission trade system, an electricity tax, a motor fuel levy, and indirect taxation of imported goods produced in third countries with high emissions).

The presentation was followed by a stimulating questions and answers session.

More information will be made available on the website of the Bridge Forum Dialogue:

www.forum-dialogue.lu .



Photo : from left to right: Mr Monti, Mr Hoyer